

Message Text

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PAGE 01 STATE 290668

47

ORIGIN AF-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 SS-15 EB-07 SIG-01 MMO-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-06 SAM-01 OES-06 SP-02 STR-04 TRSE-00

ACDA-07 FEA-01 IO-13 /135 R

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APPROVED BY AF:AMB BOLEN

D:RPOATS

EB:JKATZ

S/S:MR. GAMBLE

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FM SECSTATE WASHDC

TO ALL AFRICAN DIPLOMATIC POSTS IMMEDIATE

INFO AMEMBASSY TUNIS

AMEMBASSY RABAT

AMEMBASSY ALGIERS

AMEMBASSY TRIPOLI

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY VIENNA

C O N F I D E N T I A L STATE 290668

E.O. 11652: GDS

TAGS: ENRG, PFOR, OAU, OPEC, XA

SUBJECT: DEMARCHE ON OPEC PRICE DECISION

ACTION ADDEES TAKE AS IMMEDIATE

REFS: (A) STATE 282460; (B) STATE 27839L

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 290668

1. IF YOU HAVE NOT ALREADY DONE SO, YOU SHOULD MAKE

DEMARCHE REQUESTED REFTEL (A) AT APPROPRIATE LEVELS OF HOST GOVERNMENT, UNLESS YOU BELIEVE IT WOULD BE COUNTERPRODUCTIVE. REPORT RESULTS TO DEPARTMENT ASAP.

2. TO DATE, DEPARTMENT HAS RECEIVED REPLIES TO REFTEL (A) FROM OVER HALF OF AFRICAN POSTS. MOST GOVERNMENTS SHARE OUR CONCERNS OVER THE DISRUPTIVE EFFECTS OF A POTENTIAL OPEC PETROLEUM PRICE INCREASE ON THE WORLD ECONOMIC RECOVERY AND ON THEIR OWN ECONOMIES, ESPECIALLY IMPACT ON BALANCE OF PAYMENTS. SEVERAL AFRICAN GOVERNMENTS EXPRESSED A WILLINGNESS TO BE HELPFUL IN DISCUSSING THE ISSUE AT OAU MINISTERIAL MEETING SCHEDULED FOR KINSHASA DECEMBER 1-10. THERE FOLLOWS, FOR YOUR INFORMATION, A SAMPLING OF SOME OF THE MORE POSITIVE RESPONSES WHICH DEPARTMENT HAS RECEIVED IN REPLY TO REQUESTED DEMARCHE:

3. --KINSHASA: FONMIN NGUZA SHARES OUR CONCERNS AND

RECOMMENDED GOZ TAKE ACTIONS TO HEAD OFF OPEC INCREASE. SPECIFICALLY HE RECOMMENDING PRESIDENT MOBUTU RAISE ISSUE WITH GABONESE PRESIDENT BONGO WHILE HE HIMSELF WILL DO LIKEWISE WITH NIGERIAN EXTAFKS MIN GARBA. NGUZA WILL LOBBY LIBYANS AND ALGERIANS DURING OAU MEETING. ADDITIONALLY, GOZ MAY SPONSOR RESOLUTION ON OIL PRICES DURING MINISTERIAL MEETING IN KINSHASA. COMMENT: DEPARTMENT APPLAUDS EMBASSY KINSHASA'S SUCCESS IN ELICITING SUPPORTIVE REACTION FROM GOZ AND ENDORSES ACTIONS SUGGESTED BY NGUZA, HOWEVER, BELIEVE FURTHER APPROACHES TO GOZ SHOULD BE LOW KEYED, STRESSING OUR APPRECIATION FOR PROPOSED ACTIONS THAT ARE IN SELF-INTEREST OF GOZ AND OTHER NON-OIL PRODUCING AFRICAN STATES.

4. -- ACCRA: GOG SHARES OUR CONCERNS AND ASKED WHAT COULD BE DONE TO STEM PRICE RISE. GOG SOURCE CLAIMED, "IF AMERICA IS WORRIED, WE SHOULD CONSIDER SUICIDE." IN PUBLIC STATEMENT NOVEMBER 23 GHANAIAAN HEAD OF STATE ACHEAMPONG "EXPRESSED GRAVE CONCERN ABOUT POSSIBILITY OF OIL PRICE INCREASE AND THE EFFECT IT WOULD HAVE ON ECONOMIES OF THE NATIONS OF THE WORLD."

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 290668

5. -- OUAGADOUGOU: UPPER VOLTAN PRESIDENT AND FONMIN WERE APPALLED AT PROBABLE EFFECTS OF PRICE RISE ON THEIR ECONOMY AND AGREED ADDITIONAL OIL IMPORT BILL WOULD BE RUINOUS. BOTH CLAIMED PRICE INCREASE UNJUSTIFIED AND SUGGESTED PRESSURING FOUR AFRICAN OPEC STATES (NIGERIA, GABON, ALGERIA, LIBYA) AT KINSHASA INTO TAKING MODERATE POSITION AT DECEMBER OPEC MEETING IN DOHA. FONMIN STATED HE WOULD MAKE SURE OPEC ISSUE IS THOROUGHLY

DISCUSSED AT OAU MINISTERIAL.

6. --MASERU: GOL SAID US VIEWS ON PRICE RISE WOULD BE CONSIDERED IN DEVELOPING ITS POSITION. LESOTHO BELIEVES ITS VOICE WILL NOT BE HEARD AT OAU MEETING UNLESS NON-OIL PRODUCING AFRICAN GOVERNMENTS ACT IN UNITY IN EXPRESSING CONCERN TO FOUR AFRICAN OPEC GOVERNMENTS.

7. DAR EA SALAAM: TANGOV ADMITS ADVERSE EFFECTS OF PETROLEUM PRICE RISE ON ITS ECONOMY AND SAYS AID FROM OPEC DOES NOT OFFSET OPEC "TAX." TANZANIA, HOWEVER, DEFENDS OPEC CARTEL INCLUDING "RIGHT" TO RAISE PRICES BUT HOPES OPEC WILL ASSIST THIRD WORLD BROTHERS THROUGH CONCESSIONARY SALES, AID, AND INVESTMENT.

8. BANGUI: CAR EXPRESSED OFFER TO DO WHAT IT COULD TO PREVENT ANOTHER EXTRAVAGANT PRICE INCREASE.

9. MBABANE: MINFORAFFS WELCOMED US APPROACH SAYING GOS

DEEPLY CONCERNED ABOUT POSSIBILITY OF PRICE RISE WHICH WOULD "ABSOLUTELY RUIN" SWAZILAND. HE SAID OPEC PRODUCER TACTICS WOULD BE REMEMBERED LONG AFTER WORLD DEVELOPS ALTERNATE ENERGY SOURCES AND WAS NO LONGER SO DEPENDENT ON PETROLEUM. FONMIN AGREED OAU FORUM IDEAL FOR EXPRESSING OPPOSITION TO OPEC PRICE INCREASE AND SAID HE INCLINED COMMUNICATE GOS POSITION TO FOUR OPEC/OAU GOVERNMENTS IN ADVANCE KINSHASA MEETING.

10.-FREETOWN: GOSL SOURCE AGREED WITH POINTS MADE IN EMBASSY DEMARCHE AND SAID HE WOULD RECOMMEND THAT PRESIDENT STEVENS DISCUSS CATASTROPHIC EFFECTS OF PRICE
CONFIDENTIAL

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PAGE 04 STATE 290668

RISE ON LDC'S WITH "GOOD FRIEND" OBASANJO OF NIGERIA.

11.-LILONGWE: GOM OPPOSED TO OIL PRICE RISE BUT CLAIMED LACK OF INFLUENCE. SAID ISSUE WOULD BE TOPIC OF DISCUSSION AT OAU KINSHASA MEETING IN EARLY DECEMBER.

12.-ADDIS ABABA: GOE AGREED IMPLICATIONS OF OIL PRICE INCREASE SERIOUS AND SAID SUBJECT PROBABLY TO BE DISCUSSED AT KINSHASA. IN SEPARATE DISCUSSION, OAU ASST. SEC GEN FOR ECON/SOCIAL AFFAIRS ADMITTED PRICE INCREASE WOULD HAVE SERIOUS ECONOMIC IMPACT ON NON-OIL PRODUCING AFRICAN STATES, CLAIMING LATTER HAD RECEIVED LITTLE OR NOTHING FROM SUPPORT OF ARAB OIL PRODUCERS. HE SAID: "AFRICANS ARE TIRED OF BEING TAIL OF ARAB DOG AND SEVERAL AFRICAN STATES (UPPER VOLTA, CHAD, LESOTHO) WOULD BE

BROKE BY NEW YEAR EVEN WITHOUT PRICE INCREASE." HE CLAIMED ISSUE WOULD BE DISCUSSED AT KINSHASA, BY HIMSELF IF NO OTHERS RAISED IT.

13. DEPARTMENT APPRECIATES EFFORTS OF ALL POSTS AND SUGGESTS YOU FIND APPROPRIATE OCCASION, BEFORE DEPARTURE HOST GOVERNMENT DELEGATION TO OAU MINISTERIAL IN KINSHASA, TO REINFORCE POINTS ALREADY MADE. YOU MAY STATE IN GENERAL TERMS, WITHOUT CITING SPECIFIC REACTIONS PREVIOUS PARAS, THAT YOU INFORMED BY DEPARTMENT THAT OTHER AFRICAN NATIONS SHARE USG AND THEIR OWN CONCERNS (WHERE APPROPRIATE) AND HAVE EXPRESSED INTENTION TO RAISE OPEC PRICE RISE ISSUE AT KINSHASA. AS APPROPRIATE YOU SHOULD DRAW ON REFS A AND B STRESSING IMPACT ON BALANCE OF PAYMENTS OF NON-OIL PRODUCING LDC'S AND ADVERSE EFFECT ON WORLD ECONOMIC RECOVERY. ROBINSON

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